

DEPARTMENT OF STATE

Washington, D.C. 20520

O/NAFCO/DR

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Attention Mrs. Trombly

Keep this study together

September 7, 1973

MEMORANDUM FOR MR. PETER M. FLANIGAN
THE WHITE HOUSESubject: CIEP In-CLASS/FOI Staff Coordinating
Group Meeting M. Berry OFFICE NCA

FADRC FOI CASE NO. 5-A-88

The August 29 meeting of the Group opened with a review of recent developments concerning petroleum problems with Libya. The USG is continuing to support Bunker Hunt in its pursuit of hot oil in the courts. Diplomatic representations have been made in both Rome and Brasilia asking those governments or any entities under their control to refrain from purchasing nationalized Bunker-Hunt oil. The responses of these governments have not been encouraging.

The LARG has demanded that the remaining U.S. oil companies in Libya give up 51 percent of the investments at net book value or face total expropriation. Occidental and the independents in the Oasis Consortium (CONOCO, Marathon and Amerada Hess) acceded to the Libyan demands. The major producers (Exxon, Mobil, Texaco, and Socal), not wanting to jeopardize the recently concluded participation agreements with Saudi Arabia and the Persian Gulf States, have refused to settle on these terms. The Libyans in turn have refused an offer by the companies for an interim settlement.

A request by the companies that the USG announce an embargo against nationalized Libyan oil was considered at a White House meeting August 23. It was decided that an embargo would not be an appropriate action, but a new note has been sent to the LARG informing the Libyans of our concern over the impasse in the negotiations. The Group foresaw the likelihood of a move against the major companies in the near future.

A potential expropriation case in Colombia

DEPARTMENT OF STATE A/CDC/MR

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[REDACTED]

President Nixon's special emissary James R. Greene has gone to Peru [REDACTED]

[REDACTED]

In Argentina, a law nationalizing foreign-owned banks (including subsidiaries of Chase Manhattan, Morgan Guaranty, and First National City Bank) has passed both houses of Congress.

[REDACTED]

A draft foreign investment law is still under consideration in the Argentine parliament.

[REDACTED]

[REDACTED]

[REDACTED]

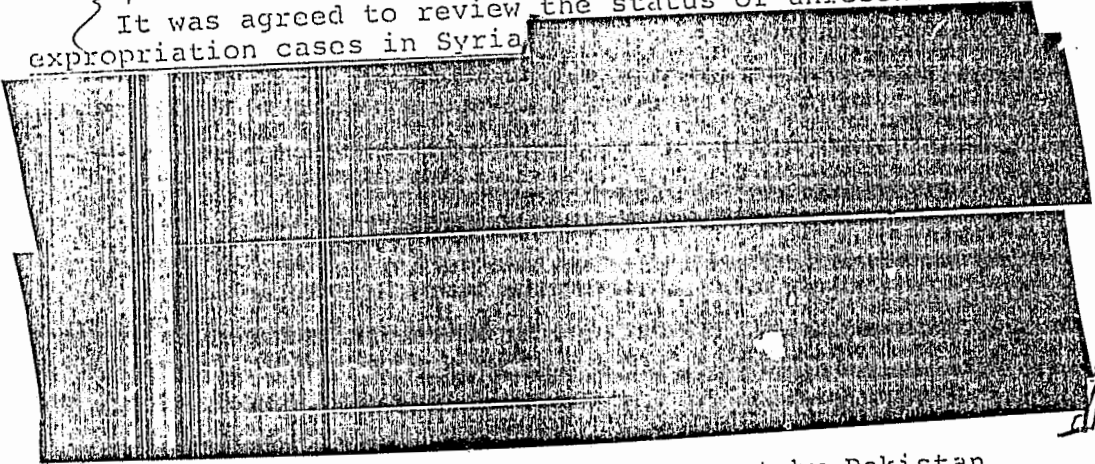
Participation negotiations are still underway in Ghana [REDACTED]

[REDACTED]

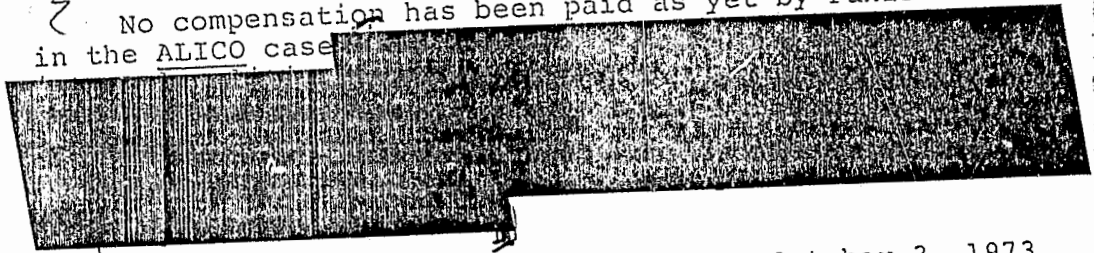
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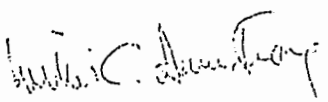
It was agreed to review the status of unresolved expropriation cases in Syria



No compensation has been paid as yet by Pakistan in the ALICO case



The Group's next meeting will be on October 3, 1973 at 10:30 A.M.


Willis C. Armstrong
Chairman, CIEP Expropriations Committee

SEP 6 1973

EB/IFD/OIA: CNEllis/VKlingelhofer 9/5/73:21966 EB/IFD/OIA: Mr. Kennedy

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